

C/007/020 Incoming

Hidden Splendor Resources
Horizon Mine
3266 South 125 West, Price, Utah 84501
Phone: (435) 636-0820 – Fax: (435) 636-0817

#3741

Q

February 16, 2011

Mr. Daron Haddock
Permit Supervisor
Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple – Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Re: Beaver Creek Protection and Enhancement Plan and Raptor Survey Requirements, Hidden Splendor Resources, Inc., Horizon Mine, C/007/0020

Dear Mr. Haddock:

In response to our January 12, 2011 meeting discussion, and to your January 20, 2011 letter, enclosed, please find Replacement Page 3-29 and New Page 3-30 to replace existing Pages 3-29 and 3-30 in the Hidden Splendor Resources, Inc. MRP.

Items 1 through 8 of your January 20, 2011 letter have addressed in these pages.

Item 9 will be addressed as discussed, in the Annual Report and any subsequent submittals.

With regards to Item 10 of your letter, Task Id No. 3587 has been addressed in the attached submitted pages and an up to date map will be included in the Annual Report.

Also included are C1 and C2 forms for the submittal.

If you have any questions or comments, please feel free to contact me at 435-636-0820.

Sincerely,



Kit Pappas
Manager of Environmental and Engineering Services

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FEB 22 2011

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: HIDDEN SPLENDOR RESOURCES, INC.

Mine: HORIZON MINE

Permit Number:

C\007\00020

Title: REPLACEMENT PAGE 3-29 & NEW PAGE 3-30 RESPONSE TO JANUARY 20, 2011 LETTER

Description, Include reason for application and timing required to implement:

BEAVER CREEK PROTECTION AND ENHANCEMENT PLAN

Instructions: If you answer yes to any of the first eight questions, this application may require Public Notice publication.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? |

Explain: _____

- | | |
|---|--|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 24. Does the application include confidential information and is it clearly marked and separated in the plan? |

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

DAN R. BAKER

CEO

02/17/2011

[Signature]

Print Name

Position

Date

Signature (Right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 17th day of February, 2011

Notary Public: JOHN C. PAPPAS, state of Utah.

My commission Expires: MARCH 7, 2014

Commission Number: 563390

Address: 1646 EAST CASTLE CIRCLE

City: PRICE State: UT Zip: 84501



JOHN CHRISTOPHER PAPPAS
Notary Public
State Of Utah
My Commission Expires March 7, 2014
COMMISSION NUMBER 581619

For Office Use Only:

**Assigned Tracking
Number:**

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DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: HIDDEN SPLENDOR RESOURCES, INC.**Mine:** HORIZON MINE**Permit Number:**

C\007\00020

Title: REPLACEMENT PAGE 3-29 & NEW PAGE 3-30 RESPONSE TO JANUARY 20, 2011 LETTER

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

[illegible]

Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

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- (4) Subsidence, should it occur, is not likely to affect the Beaver Creek flow due to the numerous beds of swelling shales within the overburden and interburden. Fractures within these sedimentary deposits have a strong tendency to heal due to the swelling of the shales and sandy shales contained therein.

Refer to Sections 3.4.8.2 and 7.1.6 for a discussion of water resource mitigation measures.

3.4.8.5 Subsidence Control and Monitoring Plan

The subsidence monitoring network will consist of permanent survey monuments located outside of the anticipated area of subsidence and a series of monitoring stations within the potential subsidence zone. New or additional stations will be installed above the projected pillar panels underlying Beaver Creek. (Plate 3-3). The monitoring stations are located so at least one is subsided each year that mining occurs and will be installed with steel re-bar/rod with aluminum caps or other permanent metal or steel structures set so that weather, frost heave, or livestock will not disturb them. The locations are approximate in that they may be moved in the field if the panel moves underground.

Additionally, four (4) monuments will be placed along Beaver Creek and at Water Monitoring Locations SP-4 and SP-9. The locations of the monuments can be found on Plate 3-3, Mine Plan (By Year) With Seam Height And Overburden & Subsidence Monitoring Points. The locations of Springs SP-4 and SP-9 can be found on Plate 7-1, Water Monitoring Location.

Multiple readings will be taken where necessary to ensure accuracy. Monitoring of the subsidence stations noted on Plate 3-3 will be performed annually and for a period of two years following final cessation of mining operations. Reports of monitoring will be sent to the UDOGM on a yearly basis.

A land (pedestrian) survey will be conducted over each panel in conjunction with the annual surveys.

As shown on Plate 3-3, two "angle of draw" lines have been calculated. One for 35 degrees and one for 22.5 degrees. Both lines were calculated based on the depth of cover in the particular mining area.

The 35 degree angle is considered a maximum in the United States and is recommended by C. Richard Dunrud, P.E. as a maximum in the Western Coal Fields (Dunrud, 1976). The 22.5 degree angle is considered more likely in this area as the nearby Beaver Creek Mines used a 20 degree angle (Guy, 1985) and other mines in the Wasatch and Bookcliffs Coal Basins use values from 20 degrees to 25 degrees.

To establish an actual "angle of draw" value, Hidden Splendor commits to locating a "Draw Line" on the surface over one of the first panels mined and pillared, (2nd Left off 2nd Left off 3rd West Mains). This "Draw Line" will be placed over the panel, perpendicular to the mining direction and will extend far enough on either side of the panel to include the potential 35 degree angle of draw. This "Draw Line" will consist of surveyed points approximately every 50 feet along its length and will be installed before pillaring. After pillaring is complete in the panel, the line will be surveyed a second time to provide a "before" and "after" profile for the surface. These profiles can then be compared to each other to determine the actual angle of draw for this overburden.

Additionally, two new water monitoring sites will be established along Beaver Creek located between current sites SS-7 and SS-8 for stream flow measurements prior to any retreat mining beneath Beaver Creek. These locations will be determined by Hidden Splendor Resources, Inc. in conjunction with DOGM. HSR will increase stream flow monitoring for Beaver Creek to a weekly basis one month prior to retreat mining beneath Beaver Creek (weather conditions permitting). The weekly flow monitoring will continue until one month after retreat mining has been completed, at which time monitoring will then be reduced to monthly for an additional six months, after which monitoring will return to the normal operational schedule (quarterly). This increased monitoring frequency will include sites SS-7, SS-8, SS-12 and the two newly established sites. HSR will submit the weekly flow monitoring data to the Division via e-mail during the increased monitoring period. Discharge measurements will be submitted to the water database quarterly.

HSR will provide all information related to subsidence to the Division on a yearly basis in the Annual Report. This information will include, but not necessarily be limited to:

Updated yearly raw subsidence data (Easting, Northing, Elevations) of each subsidence monitoring station (whether considered active or inactive by HSR), baseline subsidence data for each subsidence monitoring station, photographs and coordinates (Easting, Northing, Elevations) of any cracks, fractures, slumps, or other subsidence related abnormalities that are encountered during subsidence surveys.

In the event that any negative effects or impacts from subsidence are discovered, HSR in cooperation with UDOGM and DWR will develop a plan to minimize and correct any negative subsidence caused impacts.